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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92054165
Party	Defendant Children's Apparel Network, Ltd.
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Date	05/02/2012
Attachments	92054165 Registrant Response to SJ Motion.pdf ( 13 pages )(469942 bytes )

**UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

EYAL BALLE,	:	
	:	
Petitioner,	:	<b>Cancellation No. 92054165</b>
	:	
v.	:	
	:	
CHILDREN’S APPAREL NETWORK, LTD.,	:	
	:	
Registrant.	:	

**REGISTRANT’S RESPONSE TO  
PETITIONER’S MOTION FOR SUMMARY JUDGMENT**

Registrant Children’s Apparel Network, Ltd. (“Registrant” or “CAN”), by its undersigned counsel, hereby responds to Balle’s Motion for Summary Judgment.

In order to allow this Board to consider the overall conflict between the parties in context; to promote judicial economy; and to prevent Balle’s apparent goal of being able to offer inconsistent factual and legal positions in a later proceeding on the same subject matter at issue in this Proceeding,<sup>1</sup> CAN requests that the Board exercise its discretion by allowing CAN to tack the priority of its long-existing Registration for LITTLE REBELS into this proceeding.

CAN also opposes Balle’s Motion on the grounds that (i) it has studiously and speciously avoided any direct allegations that there is a likelihood of confusion in this case and thus it has not met its burden on summary judgment; and (ii) it has not fulfilled its burden of proving priority superior to the filing date of CAN’s BABY REBELS Application.

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<sup>1</sup> Specifically, if this cancellation were successful and Balle’s application for REBELS is thus passed to publication, CAN would promptly oppose the application based upon CAN’s prior rights and registration of LITTLE REBELS. Although Balle must establish confusion between REBELS and BABY REBELS in this proceeding, in order to prevail in the anticipated opposition Balle must necessarily take the opposite position -- that there is no likelihood of confusion between REBELS and LITTLE REBELS (on the same respective goods and marketing activities).

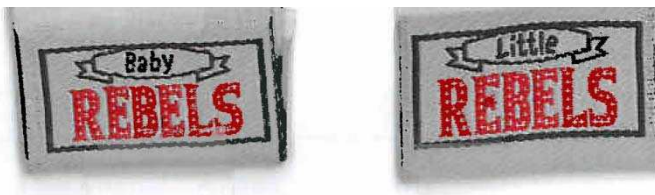
## I. INTRODUCTION, FACTUAL BACKGROUND, AND ULTERIOR MOTIVE

### A. Registrant's Use of REBELS, Both LITTLE and BABY

In 1987, approximately six (6) years before Balle's earliest alleged priority date of 1993 for its REBELS mark (see Balle's alleged Undisputed Material Fact, second bullet, at p. 3), CAN began use of the term REBELS for children's clothing in the form "LITTLE REBELS" where the word "LITTLE" merely describes the age of the little children the garments are designed for (ages two to seven). *See* accompanying Declaration of Abraham Maleh, ("Maleh Dec.") at ¶2, attached as Exhibit A.

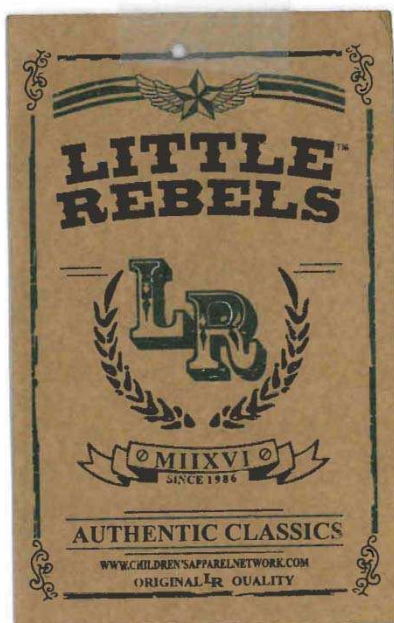
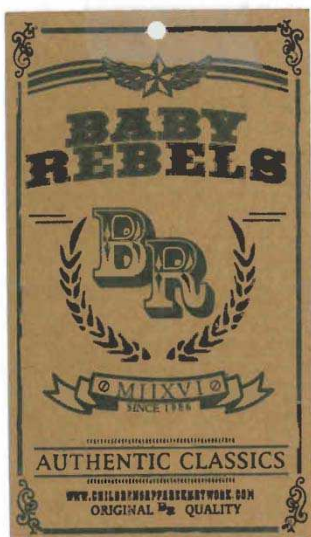
In 1995,<sup>2</sup> CAN expanded its commercial use to include "BABY REBELS" where the word "BABY" describes the age of the infants and babies the garments are designed for (ages newborn to 24 months). *See* Maleh Dec. at ¶3. From CAN's first use in 1987, CAN always used the REBELS portion as the dominant portion of its presentation, and LITTLE (and then BABY) was always used as a descriptive factually informative portion. *See* Maleh Dec. at ¶4.

CAN typically offers its REBELS clothing to its wholesale and retail customers under visually identical presentations which highlight the common use of REBELS as the dominant portion, where the BABY or LITTLE portion is descriptive. The descriptive portion tells the customer certain obvious functional distinctions about the garments, for example, the size range of the garments and the special features required by little children or babies respectively (for example snaps in the crotch). *See* Maleh Dec. at ¶5. Representative examples of CAN's REBELS mark (both LITTLE and BABY) as they have actually been used in commerce in their substantially identical visual presentations are shown as:



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<sup>2</sup> Balle's Motion questions CAN's actual date of first use in commerce for BABY REBEL, but does not advise the Board that CAN owned an earlier Registration for BABY REBELS with a 1994 filing date which was in full force and effect at the time Balle's first Registration for REBELS was issued by the US Patent and Trademark Office. These facts will be outlined in the timeline below.



See Maleh Dec. at ¶6.

## B. The Timeline



**1987:** CAN first used its mark in the form  in 1987, and filed its application which matured into Reg. No. 1,523,581 on December 28, 1987. (“CAN’s LITTLE REBELS Registration”). Since that time, CAN has used its mark in various styles and forms. See Maleh Dec. at ¶7.

**1993:** Balle alleges that it first used the mark REBELS in 1993, and filed an application on November 22, 1993 which matured into Registration No. 1,966,107 on April 9, 1996 (“Balle’s First REBELS Registration”). See Balle’s Brief at page 3, second bullet.

**1995:** CAN expanded its use of its REBELS mark in 1995 when it began use of the mark BABY REBELS. On March 7, 1994, CAN had filed Application Serial No. 74/497,873 for

BABY REBELS alleging a date of first use in commerce of April 12, 1995, which matured into Registration No. 1,949,540 on January 16, 1996. (“CAN’s First BABY REBELS Registration”). See Maleh Dec. at ¶8.

**2002**: CAN’s First BABY REBELS Registration was cancelled under Section 8 on October 19, 2002.

**2003**: Balle’s First REBELS Registration was cancelled under Section 8 on January 11, 2003.

**2009**: CAN filed a second application for BABY REBELS on February 20, 2009, which matured into Registration No. 3,811,758 on June 29, 2010 (“The Second BABY REBELS Registration”).<sup>3</sup> See Maleh Dec. at ¶9.

**2009**: Balle filed Application Serial No. 77/783,154 for REBELS on July 16, 2009 (“Balle’s Second REBELS Application”), alleging use since 1993. See Balle’s Brief at page 3, third bullet.

## **II. PETITIONER’S MOTION FOR SUMMARY JUDGMENT SHOULD BE DENIED**

### **A. Petitioner Has Not Met Its Burden of Proof on Likelihood of Confusion**

In order to prevail on this Motion for Summary Judgment, Balle is required to prove that there is a likelihood of confusion between its mark and the mark of the Registration which is the subject of attack. See Balle Brief at page 6 (“Thus, a party petitioning for cancellation under section 2(d) must show that it had priority and that registration of the mark creates a likelihood of confusion”). Balle has not met that burden. In fact, Balle *has not even alleged that there is a likelihood of confusion*. What Balle has done is beat around the bush, said that the Examining Attorney indicated that there is a likelihood of confusion, and said that CAN “admitted” that there is a likelihood of confusion. See Balle Brief at 8 (Section III.B.3, “CAN Has Agreed With the USPTO’s Determination Of A Likelihood Of Confusion”). Balle’s burden of Proof is fulfilled neither from the Examining Attorney’s initial rejection under Section 2(d) *Super Bakery, Inc. v. Benedict*, 96 U.S.P.Q.2D (BNA) 1134 (T.T.A.B. 2010) (a decision by an examining attorney during examination of an application as to whether or not there is likelihood of confusion with another registered mark has no preclusive effect); nor by CAN’s admissions

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<sup>3</sup> CAN inadvertently listed May 2009 as the date of first use in commerce. Such date was an error, the actual date of first use was April 12, 1995, as alleged in CAN’s First BABY REBELS Registration.

which were made prior to ANY discovery of Balle or knowledge of Balle's actual use or activities are not determinative.

Notably absent from Balle's brief is any meaningful discussion of the factors this court must consider to determine if there is a likelihood of confusion, namely, first a comparison of the marks themselves for similarities in appearance, sound, connotation and commercial impression; and second, a comparison of the goods or services to determine if they are related or if the activities surrounding their marketing are such that confusion is likely. *See Olde Tyme Foods Inc. v. Roundy's Inc.*, 22 U.S.P.Q.2d 1542, 1545 (Fed. Cir. 1992), *citing In re du Pont de Nemours & Co.*, 476 F.2d 1357, at 1361 (C.C.P.A. 1973).

**B. Petitioner Has Not Met Its Burden on Priority**

Balle alleges that CAN admits Balle has priority. It does not (all CAN has admitted is that CAN's use of BABY REBELS did not begin until 1995, but CAN does not yet know Balle's date of first use), and leaves Balle to its proof.

Balle does not present any evidence of use. Thus, Balle may rely only on the constructive use of the filing date of its application, which is a date in 2009 after CAN's filing date. See 15 U.S.C. §1057(c).

**C. Petitioner's Ulterior Motive for Implying but Never Alleging a Likelihood of Confusion Is to Allow It to Take An Inconsistent Position**

Balle's goal appears to be a specious attempt to set itself up to walk two sides of the same fence. Balle appears to hope in this proceeding to argue that the *Dupont* test is met (sight, sound, meaning, commercial impression, AND related goods/marketing activities), yet in an anticipated future proceeding between the same parties and dealing with the same facts and essentially the same marks to argue that at least some of those factors (likely commercial impression, and related goods/marketing activities) are no longer the same or that they lead to the opposite conclusion.

Balle seeks to capitalize on the fortuity that CAN cannot procedurally defend against cancellation of its BABY REBELS mark based on CAN's earlier LITTLE REBELS use and registration unless the Board grants CAN's request for tacking. However, in apparent recognition that the LITTLE REBELS mark can be asserted in an opposition proceeding should

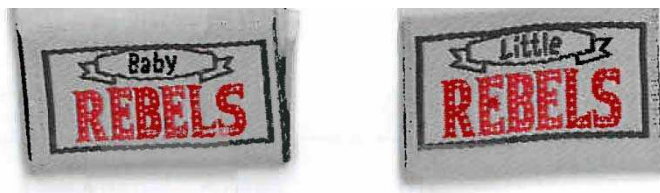
Balle's Second REBELS Application be allowed, Balle's transparent purpose in opposing tacking appears to be to prevent this overall dispute from being heard at a single time *in context*.

**D. Registrant Should Be Allowed to Tack Registrant's  
LITTLE REBELS Registration Into This Proceeding**

CAN has clear priority of the mark LITTLE REBELS<sup>4</sup> over Balle's use of REBELS. CAN should be allowed to rely upon its earlier priority dated from its LITTLE REBELS Registration into this proceeding in light of the undisputed fact that CAN uses the marks LITTLE REBELS and BABY REBELS in substantially identical forms which lead to the commercial impression to the consumer that they are a single mark where LITTLE and BABY merely designate nuances in the ages of the end users. *See* Maleh Dec. at ¶10.

A party can establish priority of use by demonstrating that it used a variation of the mark-at-issue first. Situations involving priority based on variations of trademarks are governed by the "tacking" rule, which allows a party to add time spent using an older mark to the time spent using a newer mark if both marks make the "same, continuing commercial impression." *Navistar Int'l Transp. Corp. v. Freightliner Corp.*, Case No. No. 96 C 6922, 1998 U.S. Dist. LEXIS 20284, \*5-6 (N.D. Ill. Dec. 21, 1998) (citing *Lincoln Logs, Ltd. v. Lincoln Pre-Cut Log Homes, Inc.*, 971 F.2d 732, 735 (Fed. Cir. 1992)). If the older mark is the legal equivalent of the newer mark, and the consumer should consider both as the same mark, the first use of the newer mark can be established through the use of the older mark. *Citigroup Inc. v. Capital City Bank Group, Inc.*, Opposition No. 91177415 (T.T.A.B. February 16, 2010).

As demonstrated by one of the representative usages of BABY REBELS and LITTLE REBELS below, the dominant part of both marks is "REBELS":



*See* Maleh Dec. at ¶11.

The "BABY" and "LITTLE" portions suggest the age range of target wearers of the good. Thus, the BABY and LITTLE portions do not add anything to the origin-indicating significance. *See*

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<sup>4</sup> CAN reserves all rights to argue in the appropriate forum that it maintains common law rights in the mark REBELS separate and apart from the composite LITTLE REBELS.

*Citigroup Inc. v. Capital City Bank Group, Inc.* (CAPITAL CITY BANK GROUP and CAPITAL CITY BANK are essentially the same mark because GROUP means any collection or assemblage of persons or things -- CAPITAL CITY BANK GROUP is merely a collection of CAPITAL CITY BANKS, and the word GROUP adds nothing to the origin indicating significance of CAPITAL CITY BANK.); *Laura Scudder's v. Pacific Gamble Robinson Co.*, 136 U.S.P.Q. 418, 419-20 (T.T.A.B. 1962) (BLUE BIRD and BLUE ROBIN create substantially the same general impression of a blue-colored bird, and are believed to symbolize a single and continuing trademark right.) Accordingly, the tacking of the date of first use of the LITTLE REBELS mark to the BABY REBELS mark should be allowed in this proceeding as these marks should be considered as the same mark.

**E. If Registrant Is Not Allowed to Tack, This Board Should Prevent Petitioner's Specious Loophole by Clarifying That Judicial Estoppel Will Apply**

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If CAN is not allowed to tack its priority from its LITTLE REBELS Registration into this Proceeding, Balle will effectively be given latitude to seek inconsistent adjudications. In light of Balle's apparent goal of manipulating this Board to grant Summary Judgment while maintaining the right to later counter the basis for the finding, if this Board is inclined to grant Balle's Motion for Summary Judgment, it should do so in a manner which specifically holds that it is relying on Balle's statements in its Complaint and Motion (including Declarations) that all of the *du Pont* Factors have been met, including specifically that a comparison of the goods or services determines that they are related and the activities surrounding their marketing are such that confusion is likely. *See Olde Tyme Foods Inc. v. Roundy's Inc.*, 22 U.S.P.Q.2d 1542, 1545 (Fed. Cir. 1992), *citing In re du Pont de Nemours & Co.*, 476 F.2d 1357, at 1361 (C.C.P.A. 1973).

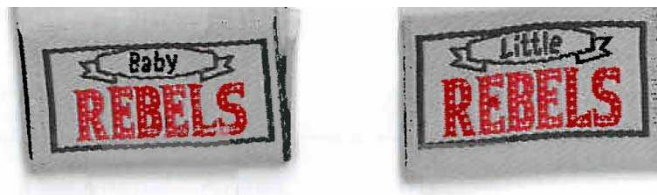
Finally, in order to avoid any doubt, if Summary Judgment is granted, this Board should specifically hold that if Balle is back before this Board in the future, e.g., in an opposition proceeding between the parties on the issue of whether there is a likelihood of confusion between any of the marks which are the subject of Balle's Motion (namely REBELS, LITTLE REBELS, and BABY REBELS), Balle will be estopped from asserting that the factors other than a direct comparison of the marks themselves for sight, sound, and meaning lead to a conclusion that there is no likelihood of confusion.



The Board applies a seven factor test to determine whether a judicial estoppel is appropriate in a given circumstance: (1) judicial acceptance of the previously asserted inconsistent position; 2) risk of inconsistent results; 3) effect of the party's actions on the integrity of the judicial process; 4) perception that the tribunal has been misled; 5) reliance by the opposing party; 6) prejudice to the opposing party's case as a result of the inconsistent position; and 7) the party against whom estoppel is invoked must have received some benefit from the previously taken position. *See, Christopher Brooks v. Creative Arts By Calloway, LLC*, 93 U.S.P.Q.2d 1823 (T.T.A.B. 2009). In light of the facts at issue here, and especially Balle's attack on the integrity of the judicial process<sup>5</sup> by its transparent attempt by Balle to win this motion on the factors, yet not be bound by those same factors, a judicial estoppel is appropriate.

### III. CONCLUSION

Balle has long known that CAN uses the two forms of its mark as a consistent pairing, for example:



and has engaged in a tortured strategy of intentionally failing to allege a likelihood of confusion for the specious purpose of avoiding judicial estoppel. Such strategy should not be condoned or allowed.

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<sup>5</sup> Balle's disruption of the judicial process went so far as to "Deny" (after objections) the Request to Admit that "The dominant portion of the REBELS Mark is REBELS." See Response to Request No. 13.

This Board, acting as a tribunal of equity, has wide judicial discretion to manage its dockets to (i) avoid judicial inefficiency; and (ii) avoid inconsistent determinations. In this case, Balle forced this dispute, and this Board should not allow Balle to win this battle without allowing CAN to show that its LITTLE REBELS mark is sufficiently similar to its BABY REBELS mark to allow tacking, or requiring Balle to actually allege a likelihood of confusion.

Respectfully submitted,

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Dated: May 2, 2012  
New York, NY

By: /Chester Rothstein/  
Chester Rothstein

*Attorneys for Registrant  
Children's Apparel Network, Ltd.*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that he is one of the attorneys for Registrant Children's Apparel Network, Ltd. in the above-captioned action, and that on the date which appears below he served a true and accurate copy of the foregoing REGISTRANT'S RESPONSE TO PETITIONER'S MOTION FOR SUMMARY JUDGMENT upon Petitioner Eyal Balle by causing a copy thereof to be served by First Class Mail, postage pre-paid, to Petitioner's attorneys to the following address:

Susan L. Heller, Esq.  
Greenberg Taurig, LLP  
2450 Colorado Avenue, Suite 400E  
Santa Monica, CA 90404

and by e-mail transmission to the following address(es):

hellers@gtlaw.com

\_\_\_\_\_  
/Chester Rothstein/  
Chester Rothstein

Dated:     May 2, 2012  
           New York, NY

UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

EYAL BALLE,

Petitioner,

**v.**

CHILDREN'S APPAREL NETWORK, LTD.,

Registrant.

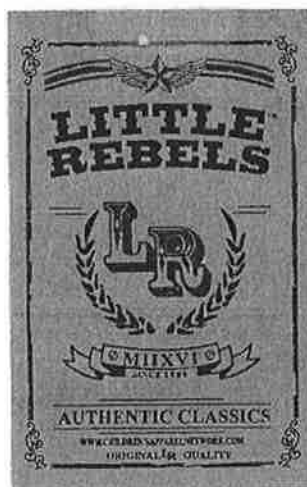
Cancellation No. 92054165


## DECLARATION OF ABRAHAM MALEH

I, Abraham Maleh, declare as follows:

1. I am the Vice President of Children's Apparel Network, Ltd. ("CAN" or "Registrant"), and have been a principal of the company since approximately 1982. I make this declaration in support of Registrant CAN's Response to Petitioner's Motion for Summary Judgment. I have personal knowledge of the following facts.
2. In 1987, Registrant began use of the term REBELS for children's clothing in the form "LITTLE REBELS" where the word "LITTLE" merely describes the age of the little children the garments are designed for (ages two to seven).
3. In 1995, Registrant expanded its use-in-commerce to include "BABY REBELS" where the word "BABY" describes the age of the infants and babies the garments are designed for (ages newborn to 24 months).
4. From Registrant's first use in 1987, Registrant always used the REBELS portion as the dominant portion of its presentation, and LITTLE (and then BABY) was always used as a descriptive factually informative portion.

5. Registrant typically offers its REBELS clothing to its wholesale and retail customers under visually identical presentations which highlight the common use of REBELS as the dominant portion, where the BABY or LITTLE portion is descriptive. The descriptive portion tells the customer certain obvious functional distinctions about the garments, for example, the size range of the garments and the special features required by little children or babies respectively (for example snaps in the crotch).
6. Representative examples of Registrant's REBELS mark (both LITTLE and BABY) as they have actually been used in commerce in their identical visual presentations are shown as:



7. Registrant first used its mark in the form  in 1987, and filed its application which matured into Reg. No. 1,523,581 on December 28, 1987. Since that time, Registrant has used its mark in various styles and forms.
8. Registrant expanded its use of its REBELS mark in 1995 when it began use of the mark BABY REBELS. On March 7, 1994, Registrant had filed Application Serial No. 74/497,873 for BABY REBELS alleging a date of first use in commerce of April 12, 1995, which matured into Registration No. 1,949,540 on January 16, 1996.
9. Registrant filed a second application for BABY REBELS on February 20, 2009, which matured into Registration No. 3,811,758 on June 29, 2010.
10. Registrant uses the marks LITTLE REBELS and BABY REBELS in substantially identical forms which lead to the commercial impression to the consumer that they are a single mark where LITTLE and BABY merely designate nuances in the ages of the end users.
11. The dominant part of both LITTLE REBELS and BABY REBELS is "REBELS".

The undersigned being warned that willful false statements and the like are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001, and that such willful false statements and the like may jeopardize the validity of the application or document or any registration resulting therefrom, declares that all statements made of his own knowledge are true; and all statements made on information and belief are believed to be true.

Executed on this 2<sup>nd</sup> day of May, 2012 in New York, NY.



Abraham Maleh